



The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

November 30, 2005

Honorable Carl R. Johnson, Chairman
Senate Environment & Wildlife Committee
Room 103 Legislative Office Building

Honorable David L. Babson, Jr., Chairman
House Environment & Agriculture Committee
Room 303 Legislative Office Building

Concord, New Hampshire 03301

SUBJECT: Hazardous Waste Cleanup Fund (RSA 147-B), Used Oil Program Annual Report

Dear Senator Johnson & Representative Babson:

In accordance with RSA 147-B:15, the Department of Environmental Services, Waste Management Division (Department) is pleased to submit its annual report on the status of the Used Oil Program for the state Fiscal Year (FY) ending June 30, 2005.

Program Background, Objectives & Activity

Oil disposed on the land or in the waters of the state poses a risk to public health and results in environmental damage that can be avoided through sound waste management practices. The Used Oil Program was established in 1993 under authority of RSA 147-B:12 and RSA 147-B:13, to provide grant funds to establish, improve, and operate used oil collection centers, and for Department costs to administer grants, and provide technical assistance. Used oil collection centers limit the improper disposal of this waste material by providing conveniently located and generally accessible facilities to New Hampshire citizens and business owners. Grant-eligible locations/entities include public facilities, political subdivisions, governmental entities, non-profit organizations that focus on waste management and recycling issues, and private businesses that are registered state motor vehicle inspection stations. Typically, used oil grant recipients are town-owned or other governmental facilities serving individual generators of used oil resulting from personal vehicle maintenance. Grant awards are limited to \$2,500 annually, or a \$5,000 annual aggregate limit for a collection center serving multiple political subdivisions.

Department technical assistance includes: education and outreach, guidance document publication and distribution, used oil transporter activity monitoring, used oil collection center activity monitoring and inspection, and recycling promotion. Since program inception in 1993, the Department has worked closely with local officials to establish used oil collection centers serving

individual residents, with significant success. One hundred forty five (145) facilities, at single or multi-town service locations, have received one or more grants. In 2006 and future years we plan to promote distribution of grants for other statute-eligible entities, within the limits of available fund revenues. Of these, motor vehicle inspection stations play a significant role in capturing used oil and redirecting it appropriately. In addition, we plan to readopt/amend the administrative rules for management of used oil and grant distribution, reducing the regulatory burden while maintaining a program structure that is fully protective of the environment.

Income & Expenditures

Operating Revenues: Annual operating revenue to the program is provided through a \$0.02 per gallon import fee on automotive oil, collected by the Department of Safety. Revenues decreased from \$156,154 in FY 2004 to \$144,707 in FY 2005. However, program revenues are generally stable due to consistency of automotive oil imports, in a range of \$120,000 to \$150,000 per year. We expect future revenues to generally increase along with the state population and associated increase in automobile ownership/use.

Operating Expenses: Through FY 2005, grant payments to towns and governmental entities total \$437,125, or 23% of total revenues. We believe annual grant distributions may be increased in future years, due to a reduction of full time program staff from two employees to one, made in FY 2005. This reduction was facilitated through personnel reassignment within the Waste Management Division that consolidated all oil-related activities in a single Bureau, reducing overall costs and improving technical assistance coordination. The reduction in personnel costs allows allocation of more revenues to grant payments, with no increase in the overall program budget, and no decrease in program services. For FY 2006 and FY 2007, grant budgets are 41% of projected revenues.

Fund Solvency: Fund solvency is essential to ensuring that sufficient monies are available to support present and future program work. At this time, we believe program income will be sufficient to support expenditures in the future. However, the overall balance in the Hazardous Waste Cleanup Fund is in decline, a condition that may impact individual fund programs. The Department is monitoring this situation closely.

Tables 1-3 below summarize financial data for: FY 2004 & FY 2005 actual comparative, historic performance, and FY 2006 & FY 2007 projected.

Table 1. - FY 2004 & 2005 Actual Comparative

<i>Category</i>	<i>Used Oil Fund (RSA 147-B)</i>	
	FY 2004	FY 2005
Beginning Balance	\$338,974	\$329,200
Revenues (1)	\$156,154	\$144,707
Administrative, Technical Assistance & Grants Management (2)	(\$122,709)	(\$124,496)
Grants & Related Expenses (3)	(\$43,219)	(\$31,458)
Ending Balance	\$329,200	\$317,953

Table 2. - Historic Performance

<i>Category</i>	<i>Used Oil Fund (RSA 147-B)</i>
Program Initiation	1993
Revenues (1)	\$1,927,744
Administrative, Technical Assistance & Grants Management (2)	(\$1,172,666)
Grants & Related Expenses (3)	(\$437,125)
Balance – FY 2005	\$317,953

Table 3. - FY 2006 & 2007 *Projected*

<i>Category</i>	<i>Used Oil Fund (RSA 147-B)</i>	
	FY 2006	FY 2007
Beginning Balance	\$317,953	\$327,707
Revenues (1)	\$145,000	\$147,000
Administrative, Technical Assistance & Grants Management (2)	(\$75,246)	(\$76,517)
Grants & Related Expenses (3)	(\$60,000)	(\$60,000)
Ending Balance	\$327,707	\$338,189

NOTES TO TABLES 1, 2 & 3:

- (1) Total revenues include import fees & interest. For FY 2006 & 2007, estimated revenue is based on prior year averages.
- (2) Administrative, technical assistance and grants management costs include Department services. For FY 2006 & 2007, estimated expenses are as currently budgeted.
- (3) Grants and related expenses includes grant payments and Department costs for disposal of used oil under RSA 147-B:13, II. For FY 2006 & 2007, estimated expenses are as currently budgeted

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If you have any questions regarding the information presented herein, you may call Timothy R. Denison at (603) 271-2570 or you may call me at (603) 271-2905.

We respectfully request your acceptance of this report.

Sincerely,

Anthony P. Giunta, P.G., Director
Waste Management Division

cc: His Excellency, Governor John H. Lynch
Michael P. Nolin, Commissioner